

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 1517 Motor Vehicles

**SPONSOR(S):** Tourism, Infrastructure & Energy Subcommittee, Smith, D. and others

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1346

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee	18 Y, 0 N, As CS	Johnson	Keating
2) Commerce Committee			

### SUMMARY ANALYSIS

Under Florida law, an application for a certificate of title on a motor vehicle or mobile home must be filed with the Department of Highway Safety and Motor Vehicles (DHSMV) and be accompanied by the appropriate fees. A certificate of title is the proof of ownership of a vehicle, mobile home, or vessel in Florida. After the purchase of a motor vehicle or a mobile home from a licensed dealer, the dealer has 30 days to apply for a tag and title for the purchaser. DHSMV may deny, suspend, or revoke the license of a dealer who shows a pattern of failing to apply for the certificate within the prescribed period of time.

The bill increases the length of time in which a motor vehicle dealer or mobile home dealer must apply to DHSMV for a certificate of title for a motor vehicle or mobile home to 60 days after the delivery of the motor vehicle or consummation of the sale of the motor home to the purchaser.

The bill does not appear to impact state or local government revenues or expenditures.

The bill has an effective date of July 1, 2022.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Current Situation

##### Certificates of Title

A certificate of title is the proof of ownership of a vehicle, mobile home, or vessel. Most vehicles, mobile homes, and vessels are required to be titled, except for mopeds, motorized bicycles, and trailers weighing less than 2,000 pounds.<sup>1</sup> An application for a certificate of title must be filed with the Department of Highway Safety and Motor Vehicles (DHSMV) and be accompanied by the appropriate fee.<sup>2</sup>

Under Florida law, after the purchase of a motor vehicle or a mobile home from a licensed dealer, the dealer has 30 days to apply for a tag and title on behalf of the purchaser.<sup>3</sup>

If a motor vehicle dealer fails to do so within the prescribed 30 days, DHSMV has the authority to deny, suspend, or revoke the dealer's license, if the failure occurs with sufficient frequency to establish a pattern of wrongdoing.<sup>4</sup>

DHSMV routinely monitors dealers that fail to apply for a title in 30 days as required by law. It focuses its resources only on those dealers with multiple title applications that are filed more than 75 days after the sale. DHSMV contacts the dealer to ask for an explanation and seeks compliance. If the explanation is not satisfactory, a notice of a failed records inspection is provided to the dealer. DHSMV then conducts a follow up inspection approximately 60 days later. If the problem persists, DHSMV can seek an administrative fine against the dealer. The fine is typically \$250 to \$500 per violation. However, DHSMV typically only fines dealers for applications that are filed more than 90 days from the sale date.<sup>5</sup>

In recent years, the number of dealer transactions that were not filed by the 30-day deadline were:<sup>6</sup>

Fiscal Year	Number of Transactions
2018-2019	373,515
2019-2020	337,355
2020-2021	493,141

#### Effect of the Bill

The bill increases the length of time in which a motor vehicle dealer or mobile home dealer must apply to DHSMV for a certificate of title for a motor vehicle or mobile home to 60 days after the delivery of the motor vehicle or consummation of the sale of the motor home to the purchaser.

The bill has an effective date of July 1, 2022.

### B. SECTION DIRECTORY:

**Section 1** Amends s. 319.23, F.S., relating to application for and issuance of, certificate of title.

<sup>1</sup> Department of Highway Safety and Motor Vehicles, *General Information*, <https://www.flhsmv.gov/motor-vehicles-tags-titles/liens-and-titles/> (last visited Jan. 20, 2022).

<sup>2</sup> S. 319.23(1), F.S.

<sup>3</sup> S. 319.23(6)(a), F.S.

<sup>4</sup> S. 320.27(9)(b)6., F.S.

<sup>5</sup> E-mail from Kevin Jacobs, Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: HB 1517 Questions (Jan. 24, 2022).

<sup>6</sup> *Id.*

**Section 2** Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to impact county or municipal governments.

2. Other:

Not applicable.

### B. RULE-MAKING AUTHORITY:

This bill does not require or authorize rulemaking.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

## IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On February 8, 2022, the Tourism, Infrastructure & Energy Subcommittee adopted a proposed committee substitute (PCS) for the bill with one amendment and reported the bill favorably as a committee substitute.

The PCS as amended:

- Increased from 30 days to 60 days the length of time in which a motor vehicle dealer or mobile home dealer must apply to DHSMV a certificate of title for a purchaser.

- Removed provisions of the bill that repealed DHSMV's authority to deny, suspend, or revoke a dealer's license for a pattern of failure to apply for a certificate of title.

This analysis is drafted to the committee substitute as approved by the Tourism, Infrastructure, & Energy Subcommittee.